

SARAWAK OIL PALMS BERHAD

SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTY-FIFTH ANNUAL GENERAL MEETING ("55TH AGM" OR "THE MEETING") OF SARAWAK OIL PALMS BERHAD ("SOP" OR "THE COMPANY") HELD AT CONFERENCE ROOM OF IMPERIAL HOTEL, JALAN POS, 98000 MIRI, SARAWAK, ON 22 JUNE 2023 AT 10.00A.M.

All Resolutions tabled at 55TH AGM were passed by shareholders and were as follows:

Agendas	Resolutions No.
- Adoption of Accounts and Reports of Directors and Auditors	-
Agenda 1 : Declaration of Final Dividend	[Resolution 1]
Agenda 2 : Approval of Directors' fees for financial year ended 31 December 2023 payable on quarterly in arrears after each month of completed service of the Directors during the financial year	[Resolution 2]
Agenda 3 : Approval of Directors' Benefits for the period from 1 January 2023 until the conclusion of the next Annual General Meeting	[Resolution 3]
Agenda 4 : Re-election of Ling Lu Kuang Agenda 5 : Re-election of Chua Chen San Agenda 6 : Re-election of Perpetua Phang Agenda 7 : Re-election of Bibi Umizah Binti Osman	[Resolution 4] [Resolution 5] [Resolution 6] [Resolution 7]
Agenda 8 : Appointment of Auditors	[Resolution 8]
<u>As Special Businesses</u>	
Agenda 9 : Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue of Trading Nature.	[Resolution 9]
Agenda 10 : Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	[Resolution 10]
Agenda 11 : Proposed Granting of ESOS Options to Ling Lu Kuang.	[Resolution 11]
Agenda 12 : Proposed Granting of ESOS Options to Ling Pau Pau.	[Resolution 12]

<i>Agendas - continued</i>	Resolutions No.
Agenda 13 : Proposed Granting of ESOS Options to Datu Monaliza Binti Zaidel.	[Resolution 13]
Agenda 14 : Proposed Granting of ESOS Options to Hasmawati Binti Sapawi.	[Resolution 14]

Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions were voted by poll. Polling results for each resolutions were duly announced to Bursa Malaysia Securities Berhad, on the even date.

Board Members present at the 55th AGM were as follows-

- (1) Mr. Ling Lu Kuang;
- (2) Mr. Ling Chiong Sing;
- (3) Mdm. Ling Pau Pau;
- (4) Mr. Tang Tiong Ing;
- (5) Hasmawati Binti Sapawi;
- (6) Mr. Fong Yoo Kaw @ Fong Yee Kow, Victor; and
- (7) Mr. Chua Chen San.

Board Members Absent With Apology during 55th AGM were as follows-

- (1) Datu Monaliza Binti Zaidel;
- (2) Cik Bibi Umizah Binti Osman; and
- (3) Mdm Perpetua Phang.

Mr. Victor Fong, an Independent Non-Executive Director, was appointed the Chairman of the Meeting of 55th AGM ("Chairman").

1.0 Opening Address by Chairman

The Chairman then informed that requisite quorum was present upon the confirmation by the Company Secretary and the meeting was then called to order.


The Chairman informed the members/proxies present that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the AGM would be conducted on a poll. He added that the Company had appointed Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to conduct the polling process and David Siaw & Co., Advocates (Miri) as Independent Scrutineers to verify and validate the poll results. The Chairman also informed that the polling process for voting on the resolutions would be conducted upon the completion of deliberation of all items to be transacted at the AGM.

The Notice of the AGM convening the meeting incorporating the detailed text of each of the resolutions was, with the permission of the meeting, be taken as read.

2.0 CLOSURE

There being no other business, the Chairman concluded the Meeting and thanked all present.

Questions raised by MSWG during 55th Annual General Meeting ("AGM") of Sarawak Oil Palms Berhad ("SOP" or the "Company")



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Sarawak Oil Palms Berhad's 55th Annual General Meeting

QUESTIONS AND ANSWERS SESSION

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1



**SARAWAK
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Question No.1


The Group's FFB production declined by 4% in FY2022 due to severe shortage of harvesters and backlog of upkeep and maintenance of the plantation since the start of COVID-19 pandemic. Costs of production had also increased significantly arising from all-time high fertilizers prices, higher wages and overall increase in prices of all other operating costs. (page 29 of Annual Report (AR) 2022).

Nos	Questions	Responses
1(a)	Does the Group plan to hire more workers this year? If yes, how many?	<i>It is the Group's practice to hire workers consistently with reference to the worker-to - hectare ratio according to the industry norms and field conditions. Normally the Group will hire between 1,500-3,000 workers after taking into consideration repatriation and operational needs.</i>

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2




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Nos	Questions	Responses		
		FY2023 (Estimated)	FY2022	FY2021
1(b)	What was the Group's total cost of production per metric tonne (MT) for CPO in FY2022 compared to FY2021? What are the expectations for FY2023.			
		<i>Total cost per per mt CPO</i>	<i>RM2,700 – RM2,800</i>	<i>RM3,250 – RM3,350</i>
			<i>RM2,100 – RM2,200</i>	
1(c)	What is the Group's projected growth in FFB production for FY2023?	<i>The Group's projected growth in FFB production is between 5 to 10% (1.25 - 1.30 million mt)</i>		

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Nos	Questions	Responses
1(d)	What is the budgeted capex for FY2023?	<p><i>The budgeted capex for FY2023 is RM300 million.</i></p> <p><i>The breakdown of the budget as follows: -</i></p> <p><i>1. Capex from property, plant, equipment (PPE): RM243 million</i></p> <p><i>a) Manufacturing (milling and downstream) : RM75million</i></p> <p><i>b) Plantation (infrastructure, building and equipment): RM130 million</i></p> <p><i>c) Others: RM38 million</i></p> <p><i>2. Plantation Development Expenditure: RM57 million</i></p>

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Question No.2

A total of 2,384 hectares (ha) was replanted in 2022 compared to 513ha in 2021. The Group's average FFB yield decreased to 14.50MT per ha compared to 15.23 MT per ha in 2021. (page 36 of AR2022)

Nos	Questions	Responses
2(a)	How much did the Group spend to replant 2,384 hectares in FY2022?	<i>The Group has incurred approximately <u>RM16 million</u> to replant 2,384 hectares in FY2022.</i>
2(b)	What is the Group's target replanting area for FY2023 and what is the estimated capex?	<i>The Group's target replanting area for FY2023 onwards was 4,000 ha per annum with estimated capital expenditure of <u>RM26 million per annum</u> (at rate of RM6,500 per ha)</i>
2(c)	When does the Group expect FFB yield to recover?	<i>The Group is starting to recover its FFB yield in 2023 and full recovery is expected in <u>2025</u> from its matured palms, barring any adverse impacts from El-Nino weather.</i>

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5



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Question No.3

The Group has one major customer with revenue of more than 10% of its total revenue in FY2022 compared to two in FY2021. (page 227 of AR2022)


	Revenue		Segment
	2022 RM'000	2021 RM'000	
Customer A	534,473	510,234	Oil Palms
Customer B	-	467,353	Oil Palms

What were the reasons for the total loss of order from Customer B?

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Response for No.3 (a)

Major customers labelled as Customer A and Customer B in 2021 were still major customers of SOP Group in year 2022 but were slightly below the 10% threshold, and were thus not disclosed. In year 2022 there was only one major customer which exceeded the threshold of 10%. It was labelled as Customer A and was disclosed accordingly in AR2022.

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Question No.4

Practice 5.2 of the Malaysian Code of Corporate Governance stipulates that at least half of the board should comprise independent directors. For large companies, the board should comprise a majority independent directors. For FY2022, there were only 3 independent directors out of the 10 directors on the Board. Does the Company intend to apply Practice 5.2, and if yes, by when?

Response for Question No.4

The Board takes note of the recommended practice 5.2 for large companies of at least half of the board comprises of independent directors. Nevertheless, the Board has not had a definite timeline to increase the number of independent directors. The Board is of the view that the current composition of directors is functioning effectively with regards to corporate governance.

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8